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SUBJECT: FORMER DEPUTY SECRETARY ZOELLICK SHANGHAI VISIT

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1. (SBU) Summary. Former Deputy Secretary of State Robert Zoellick delivered a well-received speech at the third annual Barnett-Oksenberg Lecture in Shanghai on March 21. Zoellick called for China to play a more cooperative role on Korea, Iran, Sudan and energy security. The text of the speech can be found on the Consulate website at <http://shanghai.usembassy-china.org.cn>. CPC Central Committee Member Zhao Qizheng responded to the speech by acknowledging that China was acting responsibly. While developing the economy continued to be China's main focus, it was an active member of the UN Security Council, and was playing a more active role on global issues such as the environment, terrorism, and stopping the spread of communicable diseases. Zhao also noted that China was more comfortable working bilaterally rather than multilaterally on issues. Zoellick's speech received wide and positive press coverage, with some local papers calling the "responsible stakeholder" concept "a great legacy" he left to the U.S.-China relationship. End Summary

Zoellick Speech

2. (U) During his speech entitled "China-U.S. Relations: From Shanghai Communiqui to Global Stakeholders" delivered at the third annual Barnett-Oksenberg Lecture in Shanghai on March 21, former Deputy Secretary Robert Zoellick urged China to become a more active player in the international arena. The Barnett-Oksenberg Lecture is an annual lecture organized by the National Committee on U.S.-China Relations and the Shanghai Association of American Studies to commemorate the anniversary of the signing of the Shanghai Communiqui. Zoellick said he introduced the concept of a "responsible stakeholder" because as China succeeds and its influence grows, it has an interest in working with other major countries to sustain and strengthen the international system. The concept of "responsible stakeholder" did not apply only to China, but other participants that derived benefits from the international system including the United States, the EU, Japan, Russia, and India. He identified four areas in which the United States and China had mutual interests

and should act as "shared stakeholders." These areas were Korea, Iran, Sudan and energy security. The text of the speech can be found on the Consulate website at <http://shanghai.usembassy-china.org.cn>.

China's Response

13. (SBU) CPC 16th Central Committee Member Zhao Qizheng provided a response to Zoellick's speech at the event. Zhao agreed that the "responsible stakeholder" concept was a useful and pragmatic tool that was very popular in China. He said that China was, indeed, acting responsibly. First, China was acting responsibly by developing its economy, which was its top priority. It was also important to resolve domestic problems such as the gap between the coastal areas and interior and income disparities. Second, China had become more active in the United Nations Security Council and had contributed a large number of peacekeepers to UN missions. Third, China had become more active in cooperating on global problems such as environmental disasters, terrorism, and stopping communicable diseases.

14. (SBU) Zhao agreed that it was important to have more cooperation between the United States and China. He admitted that China was a bit defensive in the past, but said that this was in reaction to the U.S. policy of "conengagement," which was a combination of containment and engagement. He compared the U.S.-China relationship to a car and said that both drivers (the United States and China) needed good coordination to smoothly drive the car. He noted that there were apprehensions on both sides about the relationship and more should be done to enhance mutual trust. He noted that there could be more cooperation in areas such as energy security. He also supported events such as

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the Barnett-Oksenberg lecture which provided people from both countries the opportunity to exchange ideas.

Audience Reaction

15. (U) Audience members, which included prominent Shanghai academics and business leaders, reacted positively to Zoellick's and Zhao's comments. Questioners asked for views on U.S. policy towards China and also for views on China's foreign policy. One audience member noted that as China becomes more active internationally, it would inevitably begin to interfere in the domestic affairs of other countries, which would contradict China's current non-interference policy. Another asked whether the U.S.-China relationship was at stake because of Taiwan.

16. (U) Zoellick said that U.S. China policy was a general success, but that both sides needed to carefully manage the relationship, especially as China continues to become more influential. He also noted that China has had extraordinary economic success and had become more skilled in multilateral diplomacy. He was disappointed, however, that China had not been very active in the WTO Doha process. In regard to non-interference, the norms of the international system have evolved and the UN Charter as well as other international law allow for interference in the internal affairs of other countries. In addition, the world had become more integrated and it was impossible to discuss issues such as migration, energy, avian influenza, and greenhouse gases without touching on the internal issues of other nations. He noted that these types of global issues required policymakers to think beyond categories and required countries to work as partners.

17. (U) Zhao said that just because China was not as vocal as the United States on international issues, it did not mean that China was not interested in international affairs. China and the United States had different value systems and China did not like to make too many remarks that were not well thought

through. He added that China also preferred working on issues bilaterally rather than multilaterally. Turning to the Doha round and Sudan, he said that China was not speechless. On Iran, China has taken a strong interest in developments in Iran and has worked on the issue in both bilateral and multilateral channels.

Academic Roundtable

18. (SBU) Prior to his speech, Zoellick participated in a roundtable with Shanghai academics and business leaders. Zoellick said there were three major developments that would shape the future: the struggle for the "soul of Islam", the rise of China, and how the United States would use its influence to deal with these changes. He noted that Muslims were now trying to determine what being a Muslim meant and the United States and other countries including China could influence this debate. On the rise of China, China has had phenomenal growth but faces serious internal challenges including job-creation demands, energy, environmental, health-care and educational problems. The "responsible stakeholder" concept was an attempt to help China, a rising power, to integrate itself in the international system. Turning to the United States, Zoellick noted that Americans had anxieties about China's rise. In addition, while the rest of the world saw the United States as the main catalyst and prime beneficiary of globalization, many in the United States had mixed views towards globalization.

19. (SBU) Shanghai Academy of Social Sciences Vice President Huang Renwei asked for more clarification on the meaning of "responsible stakeholder", specifically, if China's responsibilities were internal or global. Fudan University Center for American Studies Director Shen Dingli said that China was happy that the United States considered China to be a stakeholder and thought of China as a friend. However, other people believed that the United States itself was not a "responsible stakeholder." Specifically, the United States had

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acted irresponsibly by starting a war in Iraq, not criticizing former Japanese Prime Minister Koizumi for visiting the Yasukuni shrine, for putting financial sanctions on North Korea, and selling weapons to Taiwan. Zoellick noted that the definition of what a "responsible stakeholder" should come from a discourse and not be determined by one party. He also defended U.S. policies in Iraq, Korea, Taiwan and Japan.

Glowing Press Reviews

10. (U) Zoellick's speech received wide coverage in the local Chinese press. Local press reports noted Zoellick's emphasis on the significance of the close connections between the two countries, call for more international responsibilities to be borne by China, and positive comments on the Bush Administration's China policy. Local papers also reported on Zoellick's decision not to go back into politics. The concept of "stakeholder" proposed by Zoellick was also viewed by some papers as "a great legacy" he left to U.S.-China relations.
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